

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>				1. Contract ID Code Firm-Fixed-Price		Page 1 Of 6	
2. Amendment/Modification No.  0007		3. Effective Date  2005MAR16		4. Requisition/Purchase Req No.  SEE SCHEDULE		5. Project No. (If applicable)	
6. Issued By HQ AFSC AMSFS-CCA-F KRISTIN ENGELKEN (309)782-3491 ROCK ISLAND, IL 61299-6500 BLDGS 350 & 390 EMAIL: ENGELKENK@AFSC.ARMY.MIL		Code W52P1J		7. Administered By (If other than Item 6) Code			
				SCD PAS ADP PT			
8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code)				<input checked="" type="checkbox"/>		9A. Amendment Of Solicitation No.  W52P1J-05-R-0010	
				<input type="checkbox"/>		9B. Dated (See Item 11) 2005JAN18	
				<input type="checkbox"/>		10A. Modification Of Contract/Order No.	
				<input type="checkbox"/>		10B. Dated (See Item 13)	
Code		Facility Code					
<b>11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS</b>							
<input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input checked="" type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing items 8 and 15, and returning <u>2 signed</u> copies of the amendments: (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. <b>FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER.</b> If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. Accounting And Appropriation Data (If required)							
<b>13. THIS ITEM ONLY APPLIES TO MODIFICATIONS OF CONTRACTS/ORDERS</b> It Modifies The Contract/Order No. As Described In Item 14.							
<input type="checkbox"/>		A. This Change Order is Issued Pursuant To: The Contract/Order No. In Item 10A.				The Changes Set Forth In Item 14 Are Made In	
<input type="checkbox"/>		B. The Above Numbered Contract/Order Is Modified To Reflect The Administrative Changes (such as changes in paying office, appropriation data, etc.) Set Forth In Item 14, Pursuant To The Authority of FAR 43.103(b).					
<input type="checkbox"/>		C. This Supplemental Agreement Is Entered Into Pursuant To Authority Of:					
<input type="checkbox"/>		D. Other (Specify type of modification and authority)					
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the Issuing Office.							
14. Description Of Amendment/Modification (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)  SEE SECOND PAGE FOR DESCRIPTION							
15A. Name And Title Of Signer (Type or print)				16A. Name And Title Of Contracting Officer (Type or print)			
15B. Contractor/Offeror  _____ (Signature of person authorized to sign)		15C. Date Signed		16B. United States Of America  By _____ /SIGNED/ (Signature of Contracting Officer)		16C. Date Signed	

Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b> <b>PIIN/SIIN</b> W52P1J-05-R-0010 <b>MOD/AMD</b> 0007	<b>Page</b> 2 <b>of</b> 6
<b>Name of Offeror or Contractor:</b>		

SECTION M - EVALUATION FACTORS FOR AWARD

1. The purpose of this amendment is to change the following sentence in Section M, paragraph M-4, subparagraph entitled PAST PERFORMANCE:

From:  
 "The offeror's past performance will be evaluated in terms of on-time deliveries and quality of performance. The Government will evaluate all relevant quality issues that it discovers during the period of recent performance, regardless of when the actual delivery was made."

To:  
 The offeror's past performance will be evaluated in terms of on-time deliveries and quality of performance, with quality being of greater importance than on-time deliveries. The Government will evaluate all relevant quality issues that it discovers during the period of recent performance, regardless of when the actual delivery was made.

Therefore, Section M, paragraph M-4 is hereby deleted in its entirety and replaced herein. NOTE THE CLOSING DATE FOR THIS SOLICITATION HAS NOT CHANGED AND THEREFORE REMAINS 18 MARCH 2005, 1600 HOURS CST.

M-4 PROPOSAL EVALUATION

Proposals will be evaluated as follows:

Technical/Management Approach addresses the offerors proposed plan by use of an Integrated Program/Supply Chain Management Plan, an integrated master schedule and a detailed Work Breakdown Structure (WBS) on how the offeror intends to arrange for the procurement and/or production, acceptance and delivery of up to 300 Million rounds of small caliber ammunition per year meeting U.S. TDP and Military Specification requirements for a fiveyear period. It also addresses the offerors plan to expand that capability to up to 500 Million rounds per year if needed. This capability must be based on the potential mix of small caliber ammunition configurations identified in the RFP. Technical/Management Approach consists of the following sub factors:

1. Integrated Program/Supply Chain Management
2. Configuration Management/Compliance to U.S. TDPs
3. Quality Management System

Of the Technical/Management sub factors, Integrated Program/Supply Chain Management is significantly more important than Configuration Management/Compliance to U.S. TDPs and Quality Management System. Configuration Management/Compliance to U.S. TDPs and Quality Management System are of equal importance.

Sub factor 1 Integrated Program/Supply Chain Management:

Proposals will be evaluated based on the offeror's ability to describe their ability to meet or exceed the following criteria: 1) offeror's experience with similar contract efforts; 2) assessment of program risk and plans for risk mitigation; 3) plan for information dissemination/communication; 4) plan for supply chain management; 5) proposed internal and enterprise wide organizational structure; 6) capacity; 7) capability; and 8) expansion plans to be used for the procurement and/or production, acceptance and delivery of the identified small caliber ammunition. Assessment of these criteria will include:

- a) Capability to deliver the 14 DODICs specified in SOW 3.11 and their capacity to meet and/or exceed the 9 DODICs specified in SOW 3.1.
- b) Identification of both primary and alternate suppliers/vendors for this capability and capacity and their ability to obtain necessary capacity and capabilities from the suppliers/vendors.
- c) Available capacity for the remaining 5 DODICs from SOW para 3.11 and/or their plan to provide the capability to deliver.
- d) Plan to account for a potential increase of up to 500 million cartridges per year.
- e) The thoroughness of a detailed WBS for meeting the Government's requirement to provide the capability and capacity to produce/procure, test, package and deliver up to 500M rounds of various calibers and packaging configurations of small caliber ammunition per year as described in this RFP.
- f) How the offeror plans for, schedules and identifies necessary resources and includes the identification and retention of

<p style="text-align: center;"><b>CONTINUATION SHEET</b></p>	<p style="text-align: center;"><b>Reference No. of Document Being Continued</b></p> <p style="text-align: center;">PIIN/SIIN W52P1J-05-R-0010      MOD/AMD 0007</p>	<p style="text-align: center;"><b>Page 3 of 6</b></p>
--	---	---

**Name of Offeror or Contractor:**

necessary personnel, critical skills and qualifications.

g) The offeror's demonstrated experience with U.S. Government contracts, conventional ammunition end items and supply chain management of multi-faceted production and their management of suppliers/vendors for the procurement/production, acceptance, packaging and delivery of ammunition items.

h) Completeness and adequacy of the offeror's integrated program/supply chain management master plan to meet the requirements listed in paragraph 3.4 of the SOW. The evaluation will include, but not be limited to, how the offeror manages their suppliers/vendors; assures the timely horizontal and vertical flow of information between and among their internal operations, in-house production, suppliers/vendors and government representatives; plans and schedules production; identifies significant risk items, single source/single point failures, and plans and implements risk mitigational activities; tests components and assemblies; collects and analyzes test data; conducts engineering studies; assures cartridge level TDPs and specifications are met; resolves manufacturing or quality issues; and manages corrective actions across all suppliers/vendors.

i) Completeness and adequacy of the integrated master schedule to address the tasks, durations, dependencies and sequencing of all actions, resources, and integration of events necessary to comply with the requirements of the SOW and this RFP.

Integrated Program/Supply Chain Management will be rated on the basis of the contractor ability to meet the Government requirements in the RFP and the overall level of risk to the program, (High, Medium or Low) to the categories listed below:

1. Exceptional/Risk Assessment: A high probability of meeting the SOW and Contract Requirements.
2. Good/Risk Assessment: A medium probability of meeting the SOW and Contract Requirements judged to be borderline-adequate to accomplish the task. Some difficulties could be encountered.
3. Poor/Risk Assessment: A low probability of meeting the SOW and Contract Requirements judged inadequate to accomplish the task. Difficulties will be expected.

Sub factor 2 Configuration Management/Compliance to U.S. TDP

The evaluation will be based on the following criteria:

- 1) Understanding and experience of either the offeror and/or their suppliers/vendors with U.S. Technical Data Packages (TDPs), Military Specifications and configuration management practices or appropriate (non U.S.) TDP understanding/experience and their ability to apply this experience to the DODICs specified within this solicitation.
- 2) Procedures for reviewing, implementing, distribution and assuring compliance of configuration management actions (ECPs, RFDs, RFWs, NOR's, etc.) between the offeror and suppliers/vendors.
- 3) Analysis of differences between the U.S. TDP/Military Specifications and items currently produced by either the offeror and/or their supplier's/vendor's manufacturing processes for each cartridge type and how they plan to address identified differences, omissions and discrepancies.
- 4) List all types of energetic materials, lacquers and sealants proposed to be utilized in the production of the various small caliber ammunition designs and packing configurations for confirmatory review; identification of potential U.S. hazardous materials (such as ODCs, VOCs, Heavy Metals, etc.) which may require identification/implementation of alternative materials, further monitoring, and/or waivers; and identification of alternative materials and plans to implement, as appropriate.
- 5) Evidence to ensure that all proposed in-house production and/or suppliers/vendors who are currently producing or have experience producing to the U.S. TDP or appropriate (non U.S.), Military Specifications, and configuration management practices for small caliber ammunition/components and related items. Provide evidence that small caliber ammunition/components and related items are capable of meeting U.S. TDP requirements and Military Specifications using approved configuration management practices by the time FAAT as defined by the contract's requirements.

Configuration Management/Compliance to U.S. TDP will be rated on the basis of program risk, (High, Medium, or Low) to the categories listed below:

1. Exceptional/Risk Assessment: A high probability of conforming to U.S. Configuration Management practices, meeting the SOW and Contract Requirements, and demonstrated evidence of ability to meet U.S. TDP/Military Specification requirements.
2. Good/Risk Assessment: A medium probability of conforming to U.S. Configuration Management practices, meeting the SOW and Contract Requirements, and demonstrated evidence of ability to meet U.S. TDP/Military Specification requirements. Minor difficulties could be encountered with achieving the task.
3. Poor/Risk Assessment: A low probability of conforming to U.S. Configuration Management practices, meeting the SOW and Contract

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>  <b>PIIN/SIIN</b> W52P1J-05-R-0010 <b>MOD/AMD</b> 0007	<b>Page</b> 4 <b>of</b> 6
---------------------------	---	---------------------------

**Name of Offeror or Contractor:**

requirements, and demonstrated evidence of ability to meet U.S. TDP/Military Specification requirements. Difficulties would be expected with achieving the task.

Sub-Factor 3 Quality Management System

The Quality Management System will be rated on the basis of its approach and consistency with respect to lowering overall program risk from a quality management and process control perspective.

Proposals will be evaluated based upon the following:

- 1) The Second Source Prime Contractor's level of certification and/or compliance with ISO 9001-2000 or an equivalent quality management system, and their ability to meet and flow down to their supplier/vendor base the provisions of the Contract Quality Requirements.
- 2) The Second Source Prime Contractor's suppliers'/vendors' level of certification and/or compliance with ISO 9001-2000 or an equivalent quality management system, and their ability to meet the Contract Quality Requirements.
- 3) The offeror's description of their methodology for communicating TDP and inspection requirements to all participating suppliers/vendors; and their plans for establishing and maintaining an inspection system at all supplier/vendor facilities that controls all listed and key characteristics, and ensures full compliance with the Technical Data Package (TDP). The offeror will also be rated on their formal follow-up process to assure that pertinent information is received, understood and appropriately implemented in a timely basis.
- 4) The offeror's description of their plan to meet the critical defect requirements of this contract, and how this plan will prevent and control the occurrence of critical defects. The proposal will be rated with respect to experience that the offeror may have managing programs containing critical safety characteristics in their components and/or final products.

The offeror's plan will also be evaluated for provisions that ensure that critical defect requirements are properly communicated and flowed down to all applicable suppliers/vendors, and their formal follow-up process to assure that pertinent information is received, understood and appropriately implemented in a timely basis.

- 5) The offeror's description of their SPC methodology and techniques that will be utilized during the performance of this contract, for both proactive and reactive situations that may be encountered. Offeror will also be evaluated on their plans to communicate and flow down SPC requirements to their suppliers/vendors, and their formal follow-up process to assure that pertinent information is received, understood and appropriately implemented in a timely basis.
- 6) The offeror's description of their proposed calibration system requirements and how this system will ensure reliable and repeatable test and inspection results on a continuous basis throughout the performance of this contract. Offeror will also be evaluated on their plans to flow down calibration system requirements to their supplier/vendor facilities, and their formal follow-up process to assure that pertinent information is received, understood and appropriately implemented in a timely basis.
- 7) The offeror's description of their proposed material control system requirements, and how this system will track and maintain the inspection status of all in-process and completed material. Plans for the segregation and control of non-conforming material will also be evaluated. The offeror's description will be evaluated on its provisions to flow down the material control system requirement to their supplier/vendor facilities, and their formal follow-up process to assure that pertinent information is received, understood and appropriately implemented in a timely basis.
- 8) The offeror's description of their plans for conducting failure investigations and associated corrective actions, and how these plans will be implemented at the supplier/vendor facilities. The offeror will also be rated on their formal follow-up process to assure that pertinent information is received, understood and appropriately implemented in a timely basis

The Quality Management System will be rated on the basis of program risk (High, Medium or Low) according to the categories listed below:

1. Exceptional/Risk Assessment: A high probability of meeting the Quality requirements of the Statement of Work and the Contract
2. Good/Risk Assessment: A medium probability of meeting the Quality requirements of the Statement of Work and the Contract; judged to be borderline-adequate to accomplish the tasks. Some difficulty could be encountered.
3. Poor/Risk Assessment: A low probability of meeting the Quality requirements of the Statement of Work and the Contract; judged inadequate to accomplish the tasks. Difficulties can be expected.

PRICE

Offerors are required to provide two separate price matrices - one that will include First Article Acceptance Test (FAAT) costs and one

<p style="text-align: center;"><b>CONTINUATION SHEET</b></p>	<p style="text-align: center;"><b>Reference No. of Document Being Continued</b></p> <p style="text-align: center;">PIIN/SIIN W52P1J-05-R-0010      MOD/AMD 0007</p>	<p style="text-align: center;"><b>Page 5 of 6</b></p>
--	---	---

**Name of Offeror or Contractor:**

that will not include FAAT costs. The matrix with FAAT cost will be used for evaluation.

The Government will evaluate the price proposals based on the following:

1. The Government will develop a Best Estimated Quantity (BEQ) for each DODIC in the solicitation. The BEQ represents the Governments best estimate of the quantity to be procured. In addition, quantities lower and higher than the BEQ will be developed for evaluation purposes. Their function is to evaluate potentially different prices offered for quantities at points other than the BEQ to provide some objective measure of assessing pricing at other quantities. The three quantities (BEQ, low, and high) are hereafter referred to as the evaluation points.

2. Each DODIC will be evaluated as follows:

a) For each of the six ordering periods and each destination, the Government will add the cartridge and shipping unit prices that corresponds to the evaluation points. The resulting sums are the total unit prices for each destination and year.

b) The total unit prices calculated above will then be multiplied by their respective evaluation point quantities and destination confidence levels (probability that the Government will ship to each location). The confidence level for the CONUS destination is more than three times the weight of each of the other three destinations (SWA, Europe, or PACOM), individually. The other three destinations are equal in weight. The destination confidence levels add up to 100 percent. The resulting products are the total price for each year and each destination.

c) The total prices calculated above will then be added together. The resulting sum for each of the three evaluation points will be multiplied by the quantity confidence level applicable to each point. The resulting product is the weighted total price for the evaluation point. The quantity confidence level for each evaluation point represents an estimate of the likelihood of an actual award at that evaluation point and is used to develop the expected value for the DODIC.

The three quantity confidence levels for the evaluation points add up to 100 percent.

d) The weighted total price for each of the three quantity evaluation points will be added together to arrive at the grand total DODIC price.

3. Upon completion of the above steps, each of the grand total DODIC prices will be multiplied by a weight representing the procurement confidence level established for that DODIC. The purpose of the procurement confidence level is to reflect the Government's best probabilities for future orders based upon historical data and second source analyses.

4. The prices developed above are then added together to arrive at a single total evaluated price. An example illustrating the above steps is attached (see Section J, Attachment 013). To this price will be added any other evaluation factors as required by the solicitation (e.g., Rent Free Use of Government Property, Buy American Act, etc.). The resulting price will be the evaluated price.

5. Buy American Act (BAA) requirements will be evaluated and applied in accordance with DFARS 225.503 (and referenced clauses) for award on a group basis. Offeror's will provide BAA certifications based on the maximum quantities for each CLIN per year of execution as defined in Section A, para A-2, subparagraph 10 of this solicitation.

6. In accordance with FAR 15.404-1(g), i.e., Unbalanced Pricing, a proposal may be rejected if the Contracting Officer determines the lack of balance poses an unacceptable risk to the Government.

Price Analysis shall be used to determine price reasonableness. Additional analysis techniques may be used as determined necessary by the Procuring Contracting Officer or Source Selection Authority. These methods of evaluation may include the use of information/input from sources such as (but not necessarily limited to) other Government agencies and personnel.

Financial Capability information will be reviewed for responsibility determination only.

PAST PERFORMANCE

Past Performance shall be evaluated only on past performance data. The Government will review data for the prime contractor and all primary and secondary suppliers/vendors that will be used to meet the requirements of the SOW to the cartridge level only (LAP). Assumptions, preconceived ideas, and personal knowledge or opinions for these factors not supported by verifiable data will not be considered or used as a basis for evaluation. The Government's evaluation of Past Performance may include data/information from sources other than those provided with the offerors proposal.

Sources available to the Government other than the offeror's proposal will be used to evaluate past performance. Sources such as, but not limited to, contracting and pre-award offices at other commands may be used to gather information used to gather information. In addition, the Government has the right to consider information regarding contractor performance up to the date of award.

<b>CONTINUATION SHEET</b>	<b>Reference No. of Document Being Continued</b>  <b>PIIN/SIIN</b> W52P1J-05-R-0010 <b>MOD/AMD</b> 0007	<b>Page</b> 6 <b>of</b> 6
---------------------------	---	---------------------------

**Name of Offeror or Contractor:**

The offeror's past performance will be evaluated in terms of on-time deliveries and quality of performance, with quality being of greater importance than on-time deliveries. The Government will evaluate all relevant quality issues that it discovers during the period of recent performance, regardless of when the actual delivery was made.

Past Performance will be rated on the basis of program risk, (High, Medium or Low) to the categories listed below:

Exceptional/Risk Assessment: A high probability of meeting the on-time deliveries and quality described in the SOW.

Good/Risk Assessment: A medium probability of meeting the on-time deliveries and quality described in the SOW. Some difficulties could be encountered.

Neutral/Risk Assessment: No determination on the probability of meeting the on-time deliveries and quality described in the SOW could be made on the Offeror due no contract information by which Recent, Relevant Past performance can be rated.

Poor/Risk Assessment: A low probability of meeting the on-time deliveries and quality described in the SOW. Difficulties will be expected.

SMALL BUSINESS UTILIZATION

As required by DFARS 215.304, Small Business Utilization will be an evaluation factor under this source selection. The goal of the Small Business program is to encourage the creation of jobs in the U.S. Small Business sector.

1. The Government will evaluate all offerors (small, large and foreign) proposed utilization of:
  - A. Small Business (SB)
  - B. Small Disadvantaged Business (SDB)
  - C. Women-Owned Small Business (WOSB)
  - D. Veteran-Owned Small Business (VOSB)
  - E. Service Disabled Veteran-Owned Small Business (SDVOSB)
  - F. Historically Underutilized Business Zone Small Business (HUBZone) hereinafter all to be referred to as SB; and
  - G. Historically Black Colleges and Universities/Minority Institutions (HBCU/MI).
2. For Small Businesses, as identified by the size standard for the North American Industry Classification System (NAICS) applicable to this solicitation, the offerors own participation as a SB or HBCU/MI is to be identified and will be considered in evaluating small business utilization.
3. The Government will evaluate the extent to which an offeror identifies and commits to utilizing SB and HBCU/MI in the performance of the proposed contract as well as how well it has performed in this regard in the past. Such utilization may be as the offeror, supplier/vendor, or as a member of a joint venture or teaming arrangement. The elements to be evaluated are:
  - a) Complexity of specific products or services that will be provided by those SBs and HBCU/MIs.
  - b) The extent of Small Business participation in terms of value of the total contract.
4. Realism - The Government will evaluate the offerors actual past performance in achieving the proposed small business utilization on contracts performed within three years prior to the initial solicitation closing date for same or similar items to assess the realism of proposed small business utilization. This evaluation will include an assessment of:
  - a) The offeror's performance as prescribed by the Federal Acquisition Regulation (FAR) clause 52.219-8, Utilization of Small Business Concerns.
  - b) For large business offerors, their performance as prescribed by FAR 52.219-9, Small Business Subcontracting Plan. This includes evaluation of the offerors actual performance in meeting SB and HBCU/MI subcontracting goals. Large businesses that have not held a contract in the past three years that included FAR 52.219-9, will be evaluated against FAR 52.219-8 only.

Note: Offerors without a record of past performance in small business utilization will not be considered favorably or unfavorably in developing a realism assessment. The fact that the offeror has no past performance in small business utilization will be noted for the Source Selection Authority.